

The hearing focused on the various definitions of "rural" applied under programs operated by the U.S. Department of Agriculture. Congressman Costa is the Ranking Democratic Member on the Subcommittee.

*Statement as prepared for delivery:*

"Good morning Chairman Johnson. Thank you for calling today's hearing, and I congratulate you on being named Chairman to this Subcommittee for the 112th Congress. I look forward to working with you and all the members on both sides of the aisle on the many issues under our jurisdiction. I am proud of what this Committee has accomplished in a bipartisan fashion during my time in Congress and I hope we can continue down that road for the next two years.

"Today's hearing is an important one, because the various statutory and regulatory definitions of 'rural' applied to USDA Rural Development programs have a significant effect on rural communities in my district and home state. For most of your here today, I'm sure the first thing that comes to mind when you think of California is more likely to be Hollywood or palm trees than rural America.

"But the fact is, my congressional district is one of the most productive agricultural regions in the country and many of our communities are not only rural, but also largely poor and disadvantaged. Despite the need, my district continues to struggle with eligibility for these programs, whether it is rural housing, health, or essential community facilities, largely because of the criteria used to define rural communities.

"Establishing a nationwide definition of rural continues to challenge districts like mine across the country. I think everyone here, USDA included, would be hard-pressed to come up with a singular definition that accurately portrays what it means to be rural in each and every state. Unfortunately, these definitions do apply and often exclude communities and their residents from financing essential infrastructure like housing, basic utilities, and health facilities.

"Definitions based on population or distances from urbanized areas also do not take into account other socioeconomic factors that could elevate communities to be ideal candidates for

Rural Development programs. Some cities grow above the population cutoff without the accompanying increased economic development and diversified economies that many people associate with urban areas. Some community facilities primarily serve rural residents despite their 'urban' classification. These facilities - though serving rural needs - remain ineligible for rural programs that aim to meet these goals. The Central Valley of California has seen this play out time and time again.

"Recent Farm Bills have made tweaks to the definition of rural, so I look forward to hearing from both panels on whether or not a new approach is needed. It's no secret that Rural Development is under the budget microscope, even with nearly all of their programs being oversubscribed. If more rural communities can be better served with a different set of criteria or a different regionally-based approach to development, then that is something this Committee should consider for the next Farm Bill.

"I hope USDA will be able to provide this Committee with some suggestions from the lessons it has learned from the administration of awards not just in annual appropriations, but the Recovery Act funds to certain RD programs that aimed to bolster essential infrastructure. Once again, I welcome today's witnesses and I look forward to their testimony. I yield back my time. "